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SUBJECT: SOUTH AFRICAN PARLIAMENT HOLDS ROBUST DEBATE ON
THE NATIONAL HEALTH MINISTER'S BUDGET SPEECH

1. Summary: South African Minister of Health Aaron Motsoaledi recently gave his first budget speech to a packed Parliament chamber. The Minister's speech came at a difficult time with an ongoing doctors' strike and a public health sector in dire straits. Minister Motsoaledi outlined the government's ten-point action plan to address the needs and problems facing the country's public health-care system. He emphasized that the country needs to approach health financing from a new angle and announced the future implementation of a National Health Insurance (NHI) scheme. Motsoaledi also cited the results of a recent PEPFAR-funded survey of a random sample of South Africans during 2008, which included people from all races, age groups, rural and urban areas in all nine provinces. The survey showed a decrease in overall new HIV/AIDS infections as well as a change in behavior among South Africans. Several opposition Members of Parliament (MPs) declared that the current budget allocation for the Health Department did not reflect the governing party's alleged commitment to health over the next five years. Others called for a new salary scale for public sector doctors and decried the poor state of the public health sector overall. End Summary.

What are the Problems?

2. National Minister of Health Aaron Motsoaledi recently provided an overview of his Department's priorities and objectives for the next year to Members of Parliament and other invited guests in the Parliament's Old Assembly Chamber. The Minister presented his budget speech amidst an ongoing doctors' strike in the public sector and deteriorating public health facilities that are increasingly constrained from providing decent healthcare. The Minister frankly acknowledged the problems facing his Department and promised to deal with them decisively. He specifically cited an overall lack of managerial skills in the health system, delayed responses to quality improvement requirements, unsatisfactory maintenance and repair and poor disciplinary procedures and corruption, among others.

3. The Minister additionally emphasized that the current system of financing healthcare is grossly inequitable and out-dated. He shared that the government's priority will be to realize greater "fairness" in the provision of healthcare, which in turn will promote greater social cohesion and stability in the long term. Motsoaledi quoted United Nations Secretary General Ban Ki-Moon in the latter's General Forum on Advancing Global Health in the Face of Crisis. Ban Ki-Moon pointed out that in times of crisis, social outcomes, such as spending for health, are the first to suffer and the last to recover. In times like these Ki-Moon continued, rich people in rich nations stop buying their luxury cars and mansions. However, when the crisis ends, they will begin

buying these items again. Unfortunately, poor people in poor countries may actually lose their lives during economic downturns, and they obviously will not recover once the crisis is over. The Minister, in like manner, declared that the poor need protection now, more than ever, including access to adequate healthcare. The government, he added, will ensure that they have it.

What's His Plan?

14. The South African Government (SAG) will endeavor to improve public health sector operations through a ten-point Plan of Action outlined by the Minister. The SAG and the Department of Health will strive to 1) provide strategic leadership to the sector and create a social compact for better health outcomes. Motsoaledi volunteered that the compact will involve the different stakeholders, including patients, working together to achieve better results. He noted that patients are increasingly becoming equal partners in decision making about health care priorities and that their voices would complement those of doctors, bureaucrats and policy makers. 2) To address the "fairness" factor in health care, the SAG intends to implement a National Health Insurance (NHI) scheme to all South Africans in the future. As noted earlier, the current system of health financing is highly inequitable. The Minister pointed out that the healthcare system now spends 8.5 percent of GDP on health expenditure. Five percent of this healthcare spending goes to the health needs of only fourteen percent of the population or seven million people. The remaining 3.5 percent of health spending goes to a staggering eighty-four percent of the population or forty one million people. The Minister declared that this state of affairs could not be allowed to continue. Motsoaledi indicated that the new NHI will provide universal healthcare coverage to every citizen whether or not s/he is employed, young or old, sick or healthy, or black, white, or yellow. In this way, the Minister added, South Africa will achieve better healthcare for everyone and ensure greater equity within the system. Despite these assertions in favor of NHI, the Minister provided no elaboration on how the scheme would be financed. To date, the Department of Health has not provided formal documentation to Parliament for consideration although Motsoaledi says it will be forthcoming shortly. Debate on the NHI is already happening in the media, and the majority of it is unfavorable.

15. In addition to the strategic leadership and NHI, the Minister noted that the SAG plans 3) to accelerate implementation of its HIV/AIDS Plan and to focus more on tuberculosis and other communicable diseases. As part of the HIV/AIDS Plan, the SAG intends to introduce targeted interventions in provinces with especially high HIV prevalence, such as KwaZulu Natal. It also plans to assist young women who want to have children to be able to do so without risking HIV infection. The government also aims to intensify its efforts to help provinces to implement interventions aimed at reducing rates of multiple sexual partners, including intergenerational sex. The Minister further indicated that the Department of Health will work with provinces in 2009/10 to ensure that eighty percent of HIV-exposed infants receive ARVs for the Prevention of Maternal-to-Child Transmission (PMTCT), using dual therapy. This figure will increase to ninety-five percent during 2010/12. In like manner, the Department hopes to increase the number of HIV pregnant women on dual therapy to ninety-five percent by 2012. Still other HIV/AIDS interventions include increasing the proportion of pregnant women who are tested for HIV to ninety-five percent by 2012, and increasing the distribution of male and female condoms. Regarding treatment, the Department of Health seeks to start 215,000 new patients on ARVs in 2009/10 and increase the number to 320,000 in 2011/12. Currently, 781,465 people are already using ARV treatment.

Some Good News About HIV/AIDS

¶6. Minister Motsoaledi also discussed the results of a PEPFAR-funded survey that several health agencies had carried out around the country in 2008. The agencies recently published their report that collected data from a random sample of South Africans of all races, age groups, rural and urban populations in all provinces. The report showed that HIV prevalence at the national level had decreased by almost fifty percent among children aged 2-14, between 2002 - 2008; and slightly among youth aged 15-24 from 2005 - 2008. Encouragingly, the report also showed that a substantial decrease in the number of new infections had occurred in 2008, compared to earlier years. The Minister added that the most encouraging outcome was a change in behavior among South Africans. The survey indicated that fifty-percent of South Africans now know their HIV status; ninety percent of youth aged 15-24 have been reached by HIV/AIDS programs; 83.6 percent of adults between 25-49 have been reached; and 62.2 percent of adults aged 50 and above have had exposure to the programs. In addition, the survey showed that South Africans of all age groups are increasingly protecting themselves against HIV through the use of condoms and more than ninety-five percent know where to access them. He thanked PEPFAR for funding the survey.

More of the 10-Point Plan

¶7. To round out the SAG's ten-point Action Plan, the Minister briefly discussed 4) overhauling the healthcare system and improving its management. One idea is to evaluate all hospital Chief Executive Officers (CEOs) to ensure that they have the minimum requirements for effective management. In cases where they do not meet requirements, the government will institute corrective measures, whether it be retraining and/or redeployment. Another idea is to perform a feasibility study for the establishment of a leadership academy of health managers. Other steps the Department plans to use in tackling the sector's massive problems include 5) human resource planning, development and management; 6) improving the quality of health services; 7) revitalizing health infrastructure; 8) mobilizing on a massive scale for better healthcare; 9) reviewing existing drug policy; and 10) strengthening research and development.

The Opposition Gives their Perspective

¶8. Opposition party MPs expressed their views on the Minister's budget speech. Mike Waters and Emmah More from the Democratic Alliance questioned the ANC's commitment to financing the public health sector. More noted that the public health care system provides low cost care to many poor South Africans and for that reason, the government should nurture and prioritize it in order for patients to receive compassionate and quality care. However, she asserted that the budget, as it stands now, does not correlate to the Department's overall plans, and that there is not enough money to cover all the individual programs. She called for the budget to be reviewed.

¶9. Mike Waters' comments were even blunter. While thanking the Minister for his "refreshing" candor, he decried the SAG's lack of action on increasing the salaries of doctors in the public sector. Waters claimed that a junior doctor in the public sector makes as much money as a bus driver and that overall, doctors make fifty percent less than other government professionals, such as accountants and lawyers. (An opthamalogist, working in the public sector, also asserted in a newspaper article that he had helped improve the sight of 300 pairs of eyes during the year, and yet, he did not get paid enough to get a mortgage.) Waters alleged that the government was indifferent to the doctors' plight and that it had taken advantage of their compassion and commitment. Waters additionally pointed out that the health budget from 1998 to 2003 had essentially flat-lined in per capita terms. He scathingly asserted that the SAG at that

time was more concerned about purchasing guns through the arms' deal to fight "non-existent enemies" than it was about its own citizens' healthcare. Waters opined that if the government could find an extra R1 billion (USD 130 million) to expand the cabinet and R2-R4 billion (USD 260 - 519 million) for the public broadcaster SABC, it could find the money to pay its doctors.

¶10. Congress of the People (COPE) MP Alfred Kganare gave the harshest criticism to the government's management of the health sector. He declared that the government needed to strengthen public healthcare and that service delivery should be "seen" and not just talked about. He further agreed with other MPs that working conditions and salaries must be improved. Kganare, referring to the lack of documentation on the NHI, acidly told the Minister that the latter's "few days" of delivering the documents had instead become "a few months." He also questioned the ANC's commitment to public healthcare and blamed the party for using money on T-shirts during the elections when it could have been used earlier for desperately-needed ARVs in the Free State.

An Update on the NHI

¶11. Mike Waters, MP for the Democratic Alliance and a member of the Portfolio Committee on Health, told Econoff later that the Department of Health still has not released any information on the cost of the NHI. He volunteered that rumors indicate that South Africans with medical insurance will pay eighty-five percent of their current contributions to the NHI and those individuals without it will pay five percent of their salary. How that will affect medical insurance schemes and contributions is not yet clear. A recent article of the Cape Times also quoted Human Sciences Research Council (HSRC) official Olive Shesana as stating QResearch Council (HSRC) official Olive Shesana as stating that the funding for the NHI would come from both income and VAT taxes. However, Waters indicated that VAT taxes would hurt the poor more, and that the ANC would probably not accept it. As to its implementation date, he noted that colleagues are saying that the Department of Health wants to have the initiative implemented by April 2010. Others say that implementation could start as early as November 2009.

¶12. Comment: Probably no one envies the position of the new Health Minister with the massive challenges his Department faces. The state of the public healthcare sector is pitiful and in dire need of attention and resources. While the Minister appeared well-intentioned and decisive, he and his Department cannot possibly tackle all the problems alone. He will need the assistance of the entire government as well as significant partnerships with the private sector and other NGOs. MPs of the opposition say with some justification, that the government and the ruling party need to put their money where their mouth is and address these challenges head-on. Only time will tell if they do so. End Comment

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